Concern over fiscal deficit of Centre and States

†*314. SHRI MOTILAL VORA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that ex-Governor of Reserve Bank of India has expressed concern over the increasing fiscal deficit of the Centre and States;

(b) whether it is also a fact that he has also advised to bring down non-productive expenditure in order to decrease fiscal deficit;

(c) if so, Government's reaction thereto; and

(d) whether it is also a fact that activities of public welfare are also affected due to increasing fiscal deficit?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) The Chairman of the Twelfth Finance Commission and former Governor, Reserve Bank of India while inaugurating a Seminar on "The Issues before the Twelfth Finance Commission," on September 29,2003, had, *inter alia,* observed that fiscal deficits of the Central and State Governments need to be brought down in a calibrated way by augmenting revenues and pruning expenditure.

(c) Budget 2003-04 lays stress on fiscal consolidation. The Fiscal Responsibility and Budget Management Act, 2003 envisages elimination of revenue deficit and reduction in fiscal deficit to 2 percent by March 2008.

(d) Budget allocations for social sectors and rural development have been increased significantly in the Central Government Budget for 2003-04.

International services from Ahmedabad Airport

†*315. SHRI JAYANTILAL BAROT: Will the Minister of CIVIL AVIATION be pleased to state whether his Ministry propose to introduce international flights by private airlines from Ahmedabad?

THE MINISTER OF STATE OF THE MINISTRY OF CIVILAVIATION (SHRI RAJIV PRATAP RUDI): Ithas been decided to permit private airlines

† Original notice of the question was received in Hindi.